



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

February 9, 2006

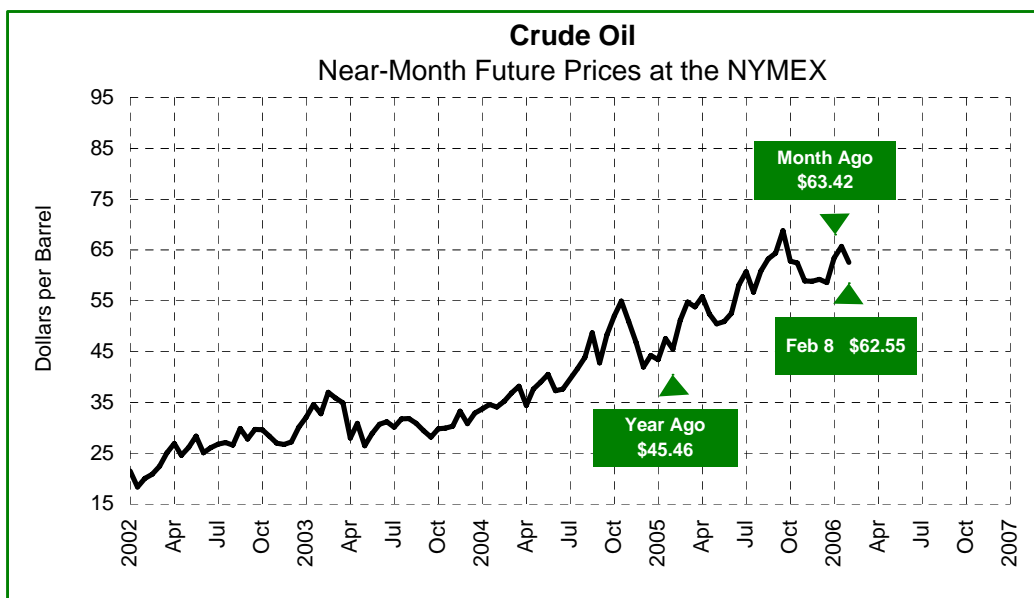
Crude Oil

On Feb. 8, NYMEX crude oil futures closed at \$62.55 per barrel, a decrease of \$0.87 from last month, but \$17.09 or 38 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>02-08-06</u>	<u>01-04-06</u>	<u>change</u>	<u>02-09-05</u>	<u>change</u>
NYMEX	\$62.55	\$63.42	down 1%	\$45.46	up 38%

- Crude oil futures for March delivery on the NYMEX decreased \$0.54 on Feb. 8 to settle at \$62.55 per barrel, in response to a significant increase in U.S. gasoline supplies for the week ending Feb. 3. Crude prices remain relatively strong amid international tensions relating to Iran's nuclear intentions supported by Venezuelan President Hugo Chavez who has threatened to curtail petroleum shipments to the U.S. The market also is closely watching a rising feud between Iraq, Turkey and Saudi Arabia and its potential impact on oil supply.



- For the week ending Feb. 3, U.S. crude supplies decreased 0.3 million barrels to 320.7 million barrels, and now stand 26.4 million barrels above last year's level at this time, according to the Energy Information Administration (EIA). The U.S. Minerals Management Service (MMS) reports that as of Wednesday, Feb. 8, approximately 0.36 million barrels or 24.3% of the Gulf's 1.5 million barrels per day of crude production continues to be shut down.

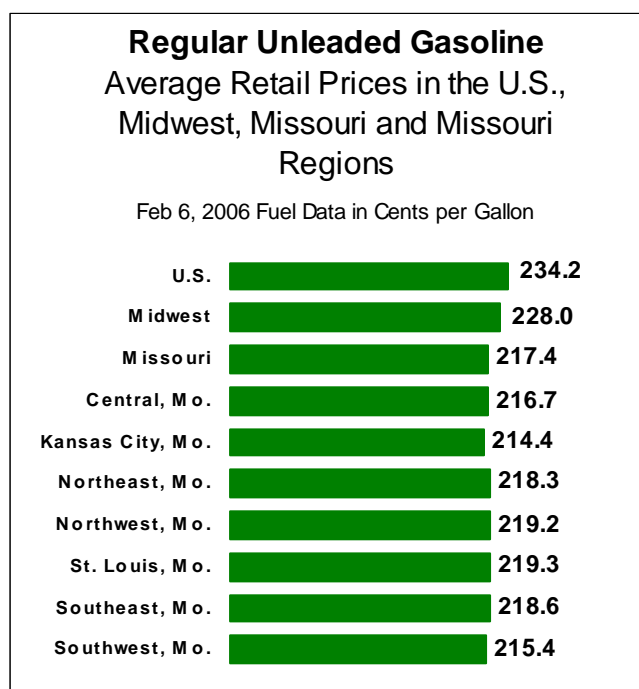
- For the week ending Feb. 3, U.S. crude oil production increased by 0.04 million barrels per day to 4.9 million barrels per day. Current production is below the 5.4 million barrels per day reported at this time last year. Crude oil imports remained relatively unchanged at 9.9 million barrels per day, also the same level as this time last year.
- Refinery runs fell by over 1 percent to nearly 85 percent of capacity as more U.S. refineries reduce production to perform necessary winter maintenance. Approximately 2 million barrels of daily production will be impacted by scheduled maintenance through mid-March. Refinery utilization fell to 14.5 million barrels of crude oil per day compared to 15 million barrels at this time last year.

Transportation Fuels

On Feb. 6, Missouri's average retail price for regular unleaded gasoline was \$2.17 while diesel fuel was \$2.41 per gallon. Retail gasoline and diesel prices are 21 percent and 27 percent higher, respectively, compared to this time last year.

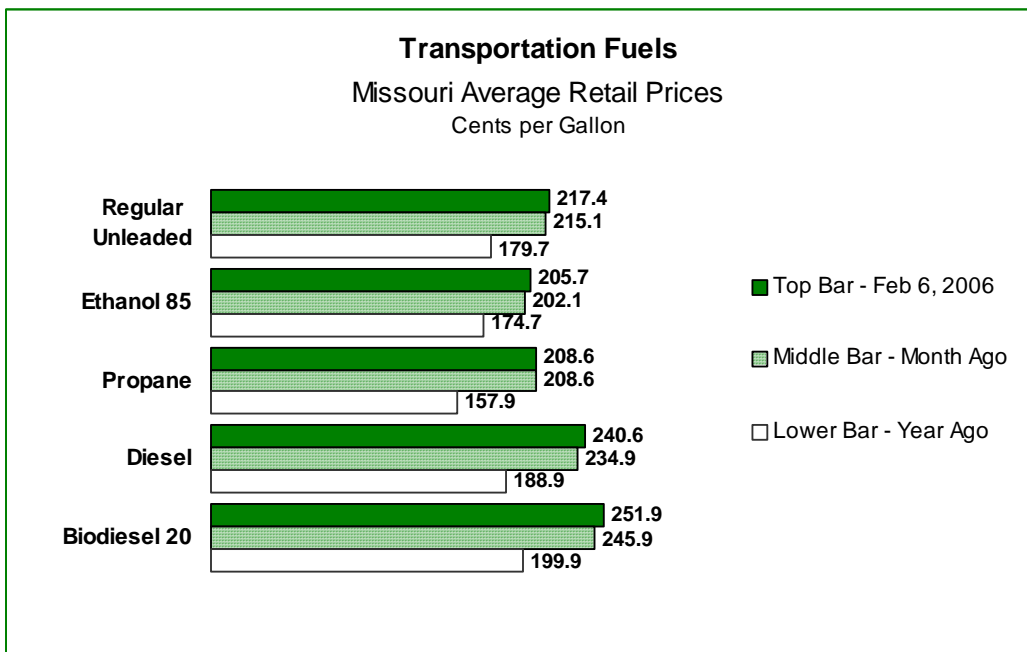
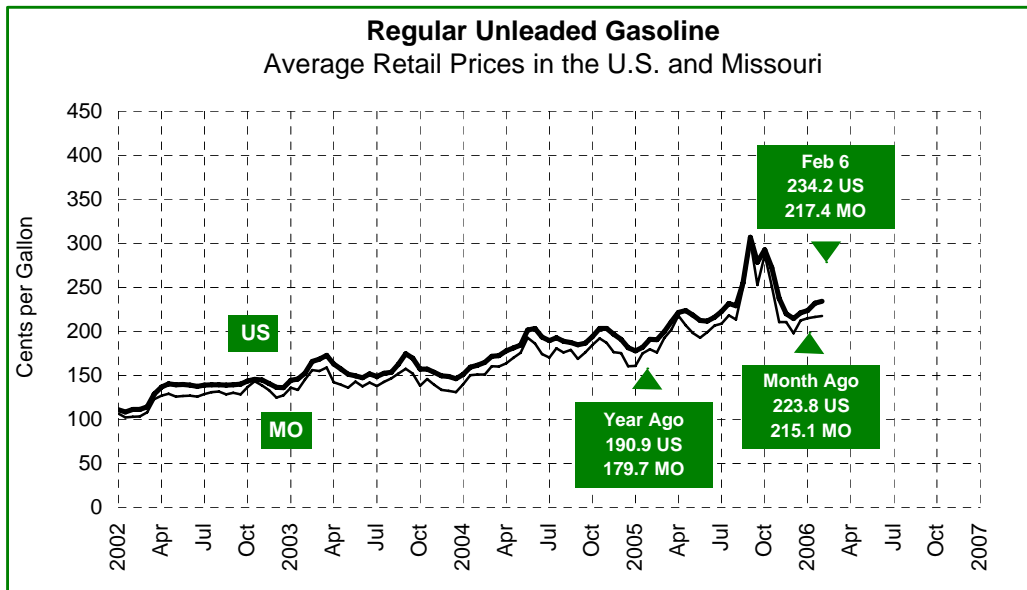
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>02-06-06</u>	<u>01-02-06</u>	<u>change</u>	<u>02-07-05</u>	<u>change</u>
US	234.2	223.8	up 5%	190.9	up 23%
Missouri	217.4	215.1	up 1%	179.7	up 21%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>02-06-06</u>	<u>01-02-06</u>	<u>change</u>	<u>02-07-05</u>	<u>change</u>
Missouri	240.6	234.9	up 2%	188.9	up 27%



- On Feb. 6, Missouri's statewide average gasoline retail price was up 5 percent while diesel retail prices were up 2 percent from last month. Although gasoline prices at the NYMEX have fallen recently in response to higher supplies, retail prices are anticipated to be higher this summer over supply concerns. New gasoline specifications may limit U.S. production and imports.

- Distillate stocks, which include heating oil and diesel fuel, decreased 0.3 million barrels to 136 million barrels. Distillate supplies are now 20.4 million barrels higher than at this time last year.



- For the week ending Feb. 3, U.S. gasoline stocks increased 4.3 million barrels to 223.3 million barrels. Demand has increased to just under 9 million barrels per day, compared to a four-week average of 8.8 million barrels per day. Gasoline imports increased to 1.2 million barrels per day compared to 0.9 million at this time last year. Gasoline supplies are up 6.5 million barrels from a year ago.

Coal

The average monthly price of Powder River coal was \$20.50 per ton for Jan. 2006 an increase of 234 percent from Jan. 2005.

Coal - Spot Prices (dollars per ton)

	<u>Jan '06</u>	<u>Dec '05</u>	<u>change</u>	<u>Jan '05</u>	<u>change</u>
Powder River	\$20.50	\$14.50	up 41%	\$6.13	up 234%

- The rebounding economy and electric utility plans to build coal-fired power plants across the country are fueling the higher demand for coal. Analysts are expecting continued high demand and prices for the near future.

Natural Gas

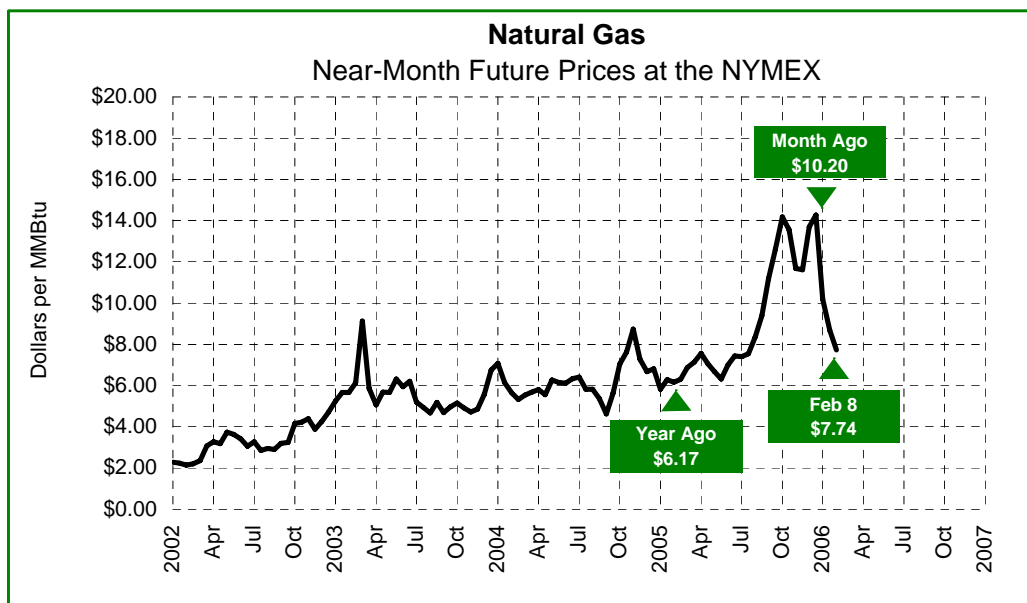
Approximately 57 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Feb. 8, natural gas futures closed at \$7.74 per MMBtu, a decline of 24 percent or \$2.46 since last month due to continued unseasonably mild weather.

Natural Gas - Near Month Future Prices (dollars per mmbtu)

	<u>02-08-06</u>	<u>01-04-06</u>	<u>change</u>	<u>02-09-05</u>	<u>change</u>
NYMEX	\$7.74	\$10.20	down 24%	\$6.17	up 25%

- On Feb. 8, the price of the NYMEX futures contract for February delivery settled at \$7.74 per MMBtu. Despite the slightly colder weather that dominated the country this week (February 1-8), natural gas spot and futures prices generally decreased. The Henry Hub spot price fell 83 cents or about 10 percent, while prices at most other regional markets ended the week with decreases averaging 58 cents per MMBtu.



- Working gas in storage was 2,368 Bcf as of Friday, Feb. 3. Currently, gas supplies remain 649 Bcf or 37.8 percent above the 5-year average and 437 Bcf or about 23 percent above last year's level, according to EIA's Weekly Natural Gas Storage Report. As of Feb. 8, the MMS estimated that 1.55 billion cubic feet per day or 15.54 percent of the Gulf's natural gas production remains shut down.

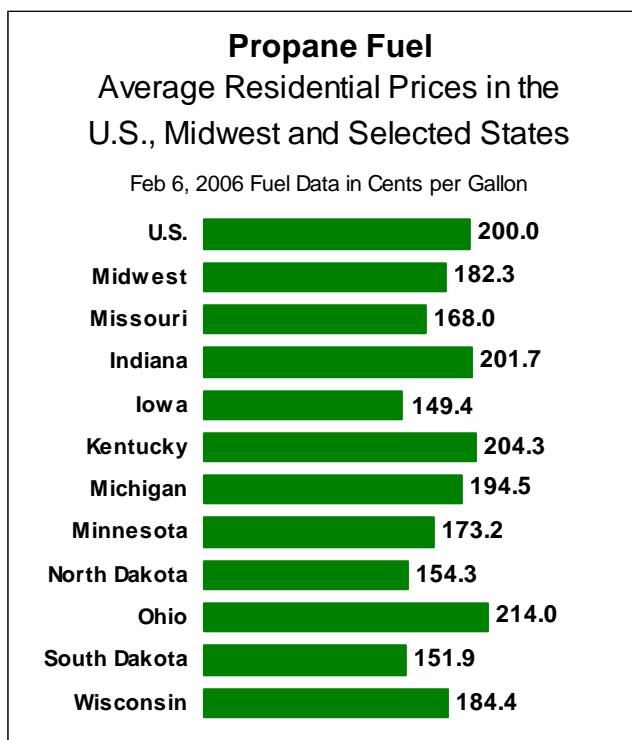
Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

Missouri's average retail propane price was \$1.68 per gallon on Feb. 6, down 2.5 cents from a month ago but 17.2 cents or 11 percent higher than a year ago.

Propane - Residential Prices (cents per gallon)					
	<u>02-06-06</u>	<u>01-02-06</u>	<u>change</u>	<u>02-07-05</u>	<u>change</u>
Missouri	168.0	170.5	down 1%	150.8	up 11%

- Following the warmest January on record, U.S. inventories of propane posted the lowest stockdraw for this month in 8 years, falling about 10.3 million barrels to an estimated 47.3 million barrels as of February 3, the highest level for this time of year since 2002.
- Midwest inventories declined 0.8 million barrels, moving from 16.06 to 15.28 million barrels for the week ending Feb. 3. Inventories stood at 12.9 million barrels at this time last year.



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

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